

**MINUTES OF THE  
RETIREMENT AND INDEPENDENT ENTITIES COMMITTEE**  
Wednesday, July 20, 2011 – 7:00 a.m. – Room 445 State Capitol

**Members Present:**

Sen. Daniel R. Liljenquist, Senate Chair  
Rep. Don L. Ipson, House Chair  
Sen. Karen Mayne  
Sen. Stuart C. Reid  
Sen. Daniel W. Thatcher  
Rep. Bradley M. Daw  
Rep. Susan Duckworth  
Rep. Merlynn T. Newbold  
Rep. Mark A. Wheatley

**Members Absent:**

Sen. Curtis S. Bramble  
Sen. Luz Robles  
Rep. Gage H. Froerer  
Rep. Wayne A. Harper  
Rep. Lynn N. Hemingway  
Rep. Bradley G. Last

**Staff Present:**

Mr. Benjamin N. Christensen, Policy Analyst  
Ms. Shannon C. Halverson, Associate General Counsel  
Ms. Catherine J. Dupont, Associate General Counsel  
Ms. Chelsea B. Lloyd, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Call to Order**

Chair Liljenquist called the meeting to order at 7:08 a.m.

**MOTION:** Rep. Daw moved to approve the minutes of the May 18, 2011 meeting. The motion passed unanimously.

**2. Provision of Health Care Benefits to State Employees**

Chair Liljenquist referred the Committee to "Public Employees Health Program History," which was distributed at the meeting and 2011 General Session H.B. 404, "State Health Insurance Amendments."

Mr. Robert Newman, Executive Director, Utah Retirement Systems, explained a history of the Public Employees Health Program (PEHP) established by the Legislature. He commented that during the 2011 General Session, the Legislature passed H.B. 404 "State Health Insurance Amendments," which requires the Committee to review and make recommendations on health insurance for state employees. The bill also calls for the Committee to study how to best make use of the assets and competencies of PEHP.

Mr. Chet Loftis, Director, PEHP, presented information on ways to improve state employee health insurance, including methods to improve the quality of health care throughout the state, payment incentives to reward low price and high quality, and continuing to promote healthy behaviors and choices. He encouraged the Committee to continue to help lead state reform through the Utah Health Exchange.

Mr. Loftis presented five recommendations for the State to improve health care benefits for state employees, including: 1) utilize Utah's unique cost and demographic trends to lead out on payment reform and reduce costs, 2) operate health insurance benefits on a self-funded basis, 3) increase efforts to engage, educate, and incentivize employees to engage in healthy behaviors, 4) obtain greater discounts

from providers based on volume, and 5) allow premium price differentials based on insurers provider networks.

**3. Other Items / Adjourn**

**MOTION:** Rep. Ipson moved to adjourn the meeting. The motion passed unanimously.

Chair Liljenquist adjourned the meeting at 7:39 a.m.